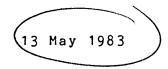
DDI Registry

Central Intelligence Agency





NOTE TO: Thomas O. Enders,

Assistant Secretary, Bureau of Inter-American Affairs

Nester D. Sanchez,

Deputy Assistant Secretary (Inter-American Affairs)

Roger W. Fontaine

National Security Council

Oliver L. North,

National Security Council

FROM : Robert M. Gates

Deputy Director for Intelligence

SUBJECT: Soviet Aid to Cuba 1982

25X1

Attached is our assessment of Soviet economic and military assistance to Cuba for 1982, which we estimate at \$5.3 billion. The briefing paper explains how we arrived at this figure.

25X1 25X1

Robert M. (Gates

Attachment: ALA M 83-20076

bcc: Dewey Clarridge C/LA/DDO

D/ALA

DIA review completed.

1.

25X1

Central Intelligence Agency



DIRECTORATE OF INTELLIGENCE

13 May 1983

SOVIET AID TO CUBA

,	We have just completed a review of Soviet economic and military assistance to Cuba for 1982 which we estimate at \$5.3 billion. Most of the aid\$4.7 billionwas economic. Of this portion, \$3.8 billion was in the form of nonrepayable trade subsidies for Cuba's sugar exports and oil imports. We estimate, based on pricing trends in recent years, that Moscow paid the equivalent in transferrable rubles of about 42 cents per pound, or nearly five times the world market price, for 3.2 million tons of its Cuban sugar imports. In addition, it charged Havana only an estimated \$16 per barrelhalf the 1982 OPEC benchmark pricefor its oil imports of approximately 80 million barrels.	25X1
	The remainder of the economic aid\$0.9 billionwas Cuba's soft-currency trade deficit with the USSR. This aid is considered repayable, but the Cubans claim it is financed for 15 to 17 years with a five year grace period and no interest charges. In practice most of it probably will be excused. We use DIA estimates for the value of military assistance to Cuba. Their estimate for 1982based on a fixed value per ton of deliverieswas \$0.59 billion. The aid for 1982 represents a sharp increase over 1981 (\$4.5 billion) and 1980 (\$3.2 billion). Most of it was caused by the	25X1 25X1 25X
DIA reviev	v completed ALA M 83-10076	25X1

Approved For Release 2008/08/29 : CIA-RDP85B00652R000100050019-0

CONFIDENTIAL

large increase in the sugar subsidy. The sugar subsidy increased 22 percent in 1981 and 90 percent in 1982 due to the sharp decline in world market prices over the period, the maintenance of Soviet prices at 40-42 cents a pound, and the increase in Cuban sugar exports to Moscow. The oil subsidy remained about the same at \$1.4 billion as world market oil prices and Soviet deliveries to Cuba stabilized. Accordingly, as the world oil price stabilizes or drops, the Soviet petroleum subsidy to Cuba will decline in the next few years. Similarly, if the world price of sugar rises significantly, the amount of Moscow's sugar subsidy will drop.

25X1

2 CONFIDENTIAL

